

Introduction

Our Philosophy

Our Corporate Purpose

Our corporate purpose is to contribute to the creation of “a truthful and sustainable life for all” through our products, services, stores and business activities; believing “human society rich in heart, with balanced relationship between human, nature and artifacts.”

Our Two Missions

Mission 1: To provide daily necessities and services with genuine quality and ethical value, at appropriate and affordable prices.

Mission 2: To have a positive impact on each region by operating stores that serve as community centers, sharing concerns and values with local residents and collaborating with them to tackle local issues.

Our Core Value

We make efforts to reduce our environmental burden and to respect individual human rights through our product development, services and actions. Through our core value of “contributing to society and people” our employees and associates will proactively respond to issues facing society and the Earth.

Our Management Policy

We will practice “public interest and people-centered management,” where each of our employees and associates contribute to the public interest through our business activities and locally rooted stores, have a sense of ownership and take leading roles in the community.

Enhancing Our Corporate Value

Through our activities, we will create a highly profitable business structure, pay taxes properly and return profits to shareholders appropriately. Furthermore, we will strive to create long-term value for the Company by making a positive impact on society together with stakeholders.





MUJI Tsuruya Azumino Hotaka

Introduction

Our History

In order to realize “a truthful and sustainable life for all,” we have a “Grand Strategy” of contributing to society and people. Of course, as a business enterprise, profit is also important for us, but our top priority is this “Grand Strategy.” Ryohin Keikaku has been working to make a contribution wherever it can help with social issues and people’s concerns. This approach has led to the Ryohin Keikaku of today.

1980-2000

Our Perspective

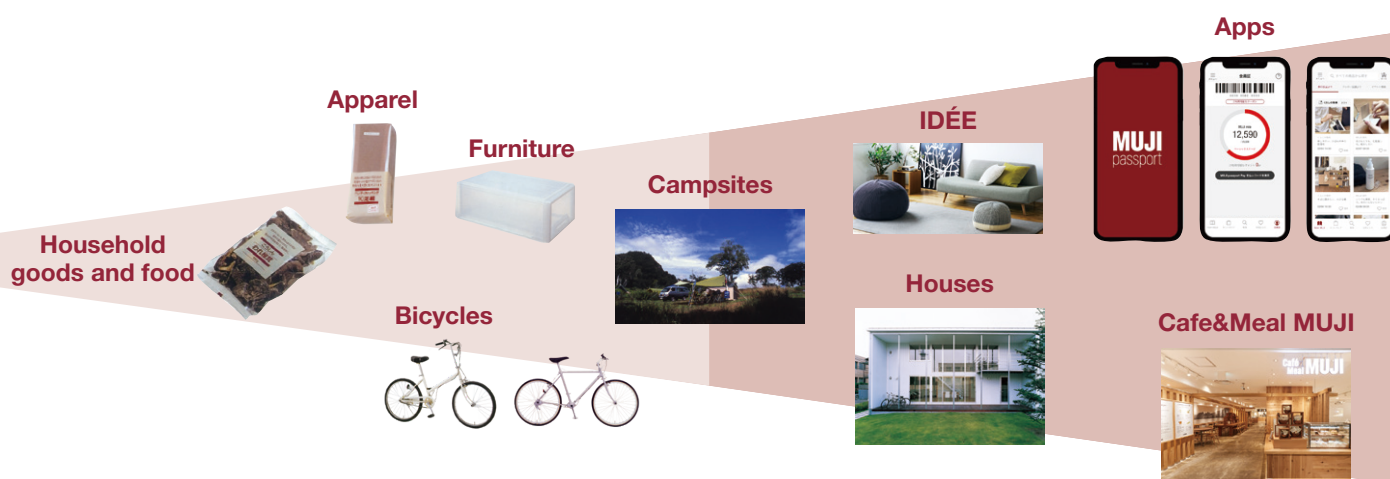
How things should be

We aimed to eliminate waste and create products that are truly useful to consumers from the perspective of selection of materials, streamlining of processes and simplification of packaging.

2001-2015

The relationship between daily life and things

We sought to give customers a feeling of rational satisfaction, expressed not with “This is what I really want,” but with “This will do.”



History of Ryohin Keikaku

1980

Seiyu Co., Ltd., a Japanese retail company, established Mujirushi Ryohin (MUJI) as its private brand

1983

First directly managed store, MUJI Aoyama, opened in Japan

1986

Production and procurement started outside Japan

1989

Ryohin Keikaku Co., Ltd. established

1991

Began business outside Japan (First store in U.K. and first store in Hong Kong opened)

1995

MUJI Tsunan Campsite opened

2000

Listed on the first section of the Tokyo Stock Exchange
MUJI.net Co., Ltd. established (currently MUJI HOUSE Co., Ltd.)

2001

MUJI Yurakucho opened

2005

MUJI (Shanghai) Company Limited established

2006

Business transfer from IDÉE Co., Ltd.

2007

First store in U.S. opened

2010

Began MUJI x JICA Project Kyrgyz

2011

Found MUJI Aoyama opened

2012

Muji Retail (Thailand) Co., Ltd. established

2013

Joined UN Global Compact
Launched MUJI passport smartphone app

2014

MUJI Sino-Ocean Taikoo Li Chengdu, the global flagship store in China, opened

2015

Began ReMUJI recycling initiative

2016-2020

A truthful and sustainable life

By providing functional, streamlined products that help simplify and beautify people's lives with "conscience and creativity," we have contributed to solving social issues with proposals of ideas for peaceful, relaxed living.

2021-

"A truthful and sustainable life for all," and beyond

We offer affordably priced products that are useful and truly essential, in addition to being good for the environment, producers and local communities. We will also evolve our efforts to help solve local issues, and contribute to the harmonious coexistence and development of daily life, culture and the environment together with local communities.



2016

Entered the market in India as the first Japanese retailer there

2017

Number of MUJI stores surpassed 400 both in Japan and overseas

2018

Began sales of frozen food

2019

MUJI Ginza and MUJI HOTEL GINZA opened

2020

Established production management base in Vietnam
Launched MUJI passport Pay service

2021

New start under our "Second Founding"
Started monthly furniture rental service
Opened Healthcare Center

Fiscal year ended August 31, 2022

Operating revenue

JPY 496.1 billion

Operating profit

JPY 32.7 billion

Note: The graph in the background shows operating revenue.

Introduction

Our Products

Throughout its history, Ryohin Keikaku has tried to help resolve social issues through its products based on the idea of being useful. In doing so, three perspectives in our product development have remained unchanged since the launch of the MUJI brand in 1980: selection of materials, streamlining of processes and simplification of packaging. We develop no-frills, quality products and select materials that take the global environment and producers into consideration, eliminate waste in all processes, and provide customers with what they actually need, in the form they actually want.

Three Perspectives

—Our basic approach to product development—

Selection of Materials



We review materials by always returning to the basics of product development that are often overlooked in creating delicious and healthy food, comfortable clothes that fit well, and household goods that put function first. We provide high-quality products at affordable prices by utilizing materials that are rejected despite their quality because of their appearance, using commercial materials, accessing raw materials from global markets, and procuring large quantities of seasonal goods at low cost.

Streamlining of Processes



We work to improve processes right down to the production of a single product. For example, we eliminate problems associated with sorting and arranging sizes, and we also make products from goods rejected because of nonstandard size or shape. We eliminate unnecessary work. This includes work that is not related to the fundamental quality of the product, such as excluding uneven shapes/colors or polishing. Our approach to developing no-frills, quality products eliminates material waste and reduces costs.

Simplification of Packaging



All MUJI products have always appeared in stores featuring only a package or tag simply giving product details. For products that may need extra packaging, we bundle them together or use a common container. We pursue ongoing initiatives to reduce trash because we do not want resources to go to waste.

Apparel



Household goods



Food



1980 to 2021

Simplifying Processes

1983: Pre-washed shirts

Since washing clothes changes the texture of the fabric, it was assumed that shirts also had to be starched and ironed before sale. We overturned this conventional wisdom with the launch of pre-washed shirts that make the most of their natural texture. While omitting some processes and reducing costs, we also put effort into selecting materials. Ever since, product styles, materials and production areas have evolved further, undergoing both extensions and subdivisions, according to the times.



2022

Recycling and Effectively Using Resources

2022: Down series made with recycled nylon fabric

We updated our lightweight down apparel by using eco-friendly recycled nylon fabric. Waste threads generated during the production process, which are normally discarded, are collected, washed and crushed. They are then broken down again into nylon thread for recycled nylon products. As part of our efforts to use finite resources without waste and to reduce our environmental impact, we adopted 100% recycled nylon for the inner filling of our lightweight down products.



Rethinking Functions

1991: Mattress with Legs

Upon hearing that many Japanese people sleep on a futon placed on top of a bed frame, we wondered whether they might also use a mattress without a frame. This simple idea led to the launch of *Mattress with Legs*, which became a major hit product with total sales easily exceeding 1 million units. Even after its launch, we have continued to refine the product by incorporating customer feedback to make improvements in every aspect, including comfort, durability and price.



Preparing for Natural Disasters and Practical Use

2022: Cardboard beds

Based on the concept of everyday goods that can also be useful in emergencies, we have developed products in response to the opinions of people who have experienced life as evacuees. In collaboration with the Voluntary Architects' Network, a non-profit organization that has been working for many years to improve conditions at evacuation centers, we launched an easy-to-assemble cardboard bed for use in limited space.



Investigating the Essence

1980: Koshin Shiitake Mushroom Pieces

Dried shiitake mushrooms have high nutritional value and can be rehydrated for use as a soup stock, but everyone in Japan took it as a given that they were expensive. Our *Koshin Shiitake Mushroom Pieces* disproved this common belief. The secret of its low price was that MUJI was the first company to omit the sorting process used to standardize sizes and reject broken items. Our ambition to develop a product to "provide customers with the lifestyle essentials they actually need, in the form they actually want," which was printed on the package at the time of the launch, found acceptance among many customers.



Addressing Food Loss

2022: Irregular Baumkuchen series

Some loss inevitably occurs in the manufacturing process. Food may taste the same, but it is discarded because of its appearance. To eliminate this wastefulness, our *Irregular Baumkuchen* uses the entire cake up to its edges. Some twenty years have passed since the launch of *Irregular Baumkuchen*, a product that shows our respect for food. With the addition of variations such as a series with chocolate coating, its concept continues to evolve as a confectionery that enriches everyday life.



Introduction

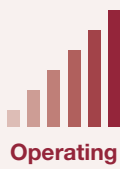
The Ryohin Keikaku Group in Numbers

In the 42 years since the creation of MUJI, we have continued to design and develop no-frills, quality products by focusing on selection of materials, streamlining of processes and simplification of packaging. The foundation of our ideology has not changed since MUJI's inception, and like a compass pointing north, it continues to orient us toward the essential and universal aspects of daily life.

Financial Data

Operating Revenue

JPY **496.1** billion



An increase in the number of stores due to new store openings both in Japan and overseas resulted in record-high operating revenue.

Operating Profit

JPY **32.7** billion



Operating profit, ordinary profit and net income attributable to owners of parent decreased as growth in operating gross profit slowed down due to tough sales conditions for apparel as well as the impact of the sharp depreciation of the yen and higher transportation costs.

ROE (Return on Equity)

10.8%



ROE for the fiscal year ended August 31, 2022 was 10.8%. We are working to improve capital efficiency with the goal of maintaining ROE at 15% or higher.

ROA (Return on Total Assets)

9.4%



ROA for the fiscal year ended August 31, 2022 was 9.4%. We are working to improve capital efficiency with the goal of maintaining ROA at 15% or higher.

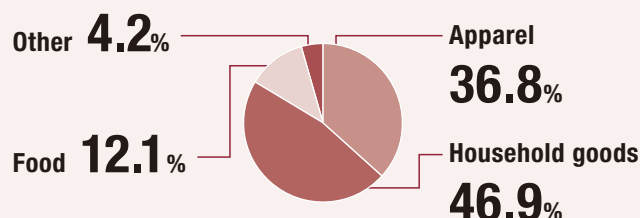
Dividend Payout Ratio

42.9%



We are committed to returning profits to our shareholders with an annual payout ratio of 30% of consolidated earnings as a basic policy. The dividend for the fiscal year ended August 31, 2022 was JPY 40.0 per share.

Operating Revenue by Product Category



Environmental Data

Number of Textile Products Using Recycled Materials

69¹



The above figure is the number of textile products (including apparel and household goods) that use recycled materials sold during the 2022/2023 fall/winter season.

Number of Stores Holding Food Drives²

79¹



We have begun holding food drives in partnership with local governments as part of efforts to reduce food loss. In this initiative, surplus items from households that are nearing their sell-by date are collected at stores and donated to local welfare groups and facilities through food bank organizations.

Non-Financial Data

Number of Employees (Ryohin Keikaku Group)

19,009

(9,834)

We had 19,009 employees worldwide (including 9,834 temporary and other workers) as of August 31, 2022.



Percentage of Outside Directors

5 out of 8



The percentage of outside directors was 62.5% as of November 23, 2022.

Number of Cooperation Agreements with Local Governments

22¹



We create new value in cooperation with local governments and residents by promoting initiatives that benefit people in the area, including local production for local consumption, creation of jobs and community development. As of August 31, 2022, we had entered into cooperation agreements with 22 local governments in Japan.

Number of Active Users of the MUJI passport App

13.09 million^{1,2}



Launched in May 2013, the MUJI passport app is available in 11 countries and regions including Japan as of August 31, 2022. Active users in Japan during the fiscal year ended August 31, 2022 totaled 13.09 million.

Percentage of Female Directors

3 out of 8



The percentage of female directors was 37.5% as of November 23, 2022.

Percentage of Women in Managerial Positions

20.7%¹



Excluding executives, 36 women hold the rank of section manager or higher, accounting for 20.7% of all employees in such positions. In addition, 282 women hold the rank of store manager or higher at directly managed stores in Japan, accounting for 39.1% of all employees in such positions.

Number of Stores with Water Refill Stations

357¹



To reduce plastic waste, we have set up water refill stations in MUJI stores. This is a free water dispensing service that uses tap water and is available to anyone who brings their own bottle.

Volume of Textile Products Collected

49.1 tons/year¹



With the aim of building a recycling-based society, we have been collecting textiles since 2010. After collection, products are reprocessed for sale under the ReMUJI brand. See page 61 for details of this initiative.

Note: Figures as of August 31, 2022.

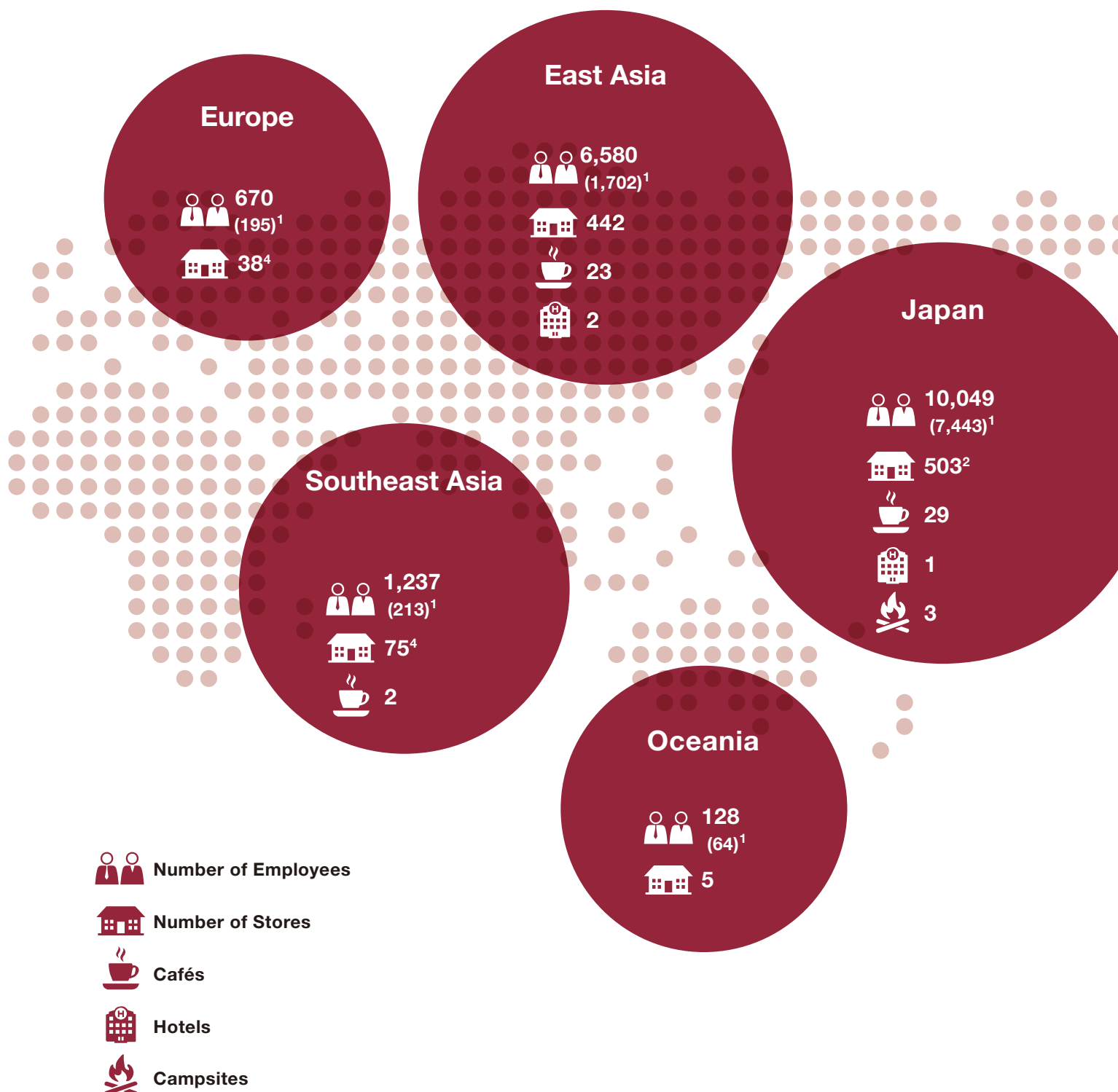
1. Ryohin Keikaku Co., Ltd. only

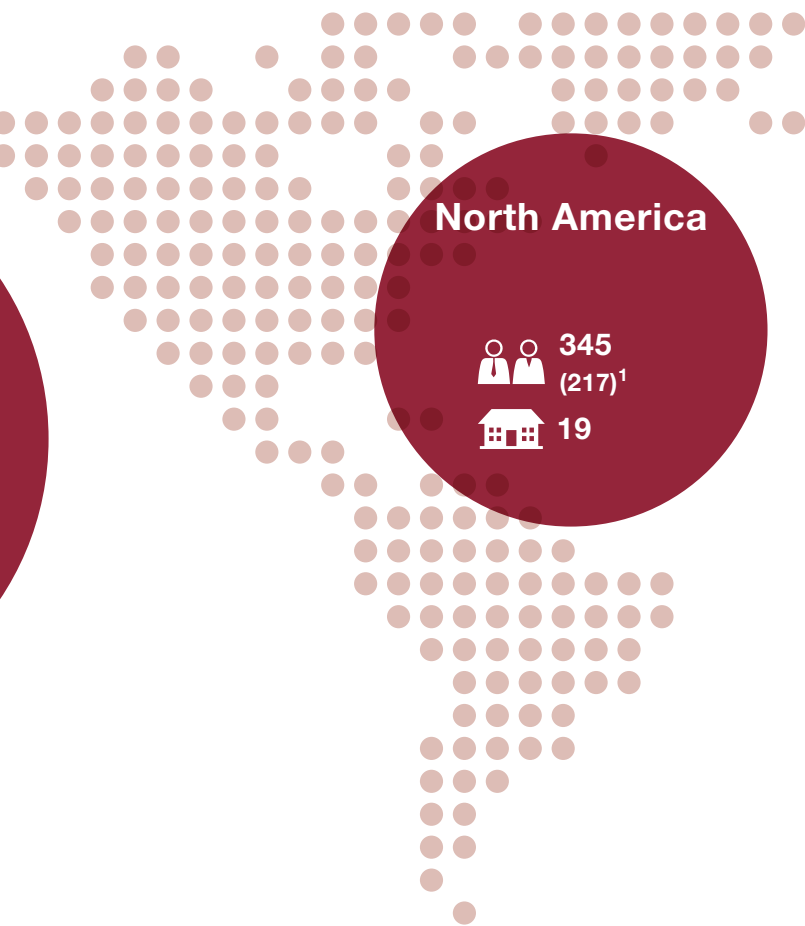
2. Includes registered members of external communication apps from the fiscal year ended February 2019.

Introduction

Global Network (As of August 31, 2022)

We operate directly managed MUJI stores and a wholesale business in Japan and overseas, with more than 1,100 stores in 32 countries and regions (as of August 31, 2022). Although points of emphasis differ depending on the region, by enhancing our lineup of locally developed products and services that match lifestyles in each region, we establish a locally rooted business model. We also focus on hiring employees locally. We will continue to expand globally with the aim of being useful to the people of each country and region where we operate to help realize “a truthful and sustainable life for all.”





**Countries/Regions
Where We Operate**

32

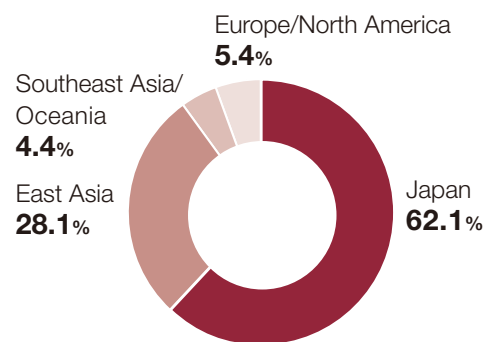
Number of Stores

1,136³

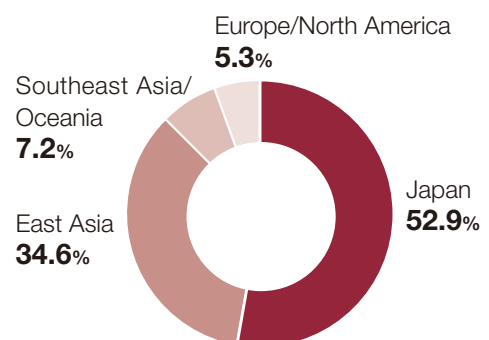
**Number of Employees
Worldwide**

19,009
(9,834)¹

Breakdown of Operating Revenue by Area



Breakdown of Employees by Area



1. Number of temporary employees (full-time equivalent for the year)
 2. Including 10 IDÉE stores and 81 licensed stores
 3. Including licensed stores, Café&Meal MUJI and IDÉE
 4. Including licensed stores